

OLL-85-1591

Office of Legislative Liaison
Routing Slip

TO:	ACTION	INFO
1. D/OLL		X
2. DD/OLL		X
3. Admin Officer		
4. Liaison		X <i>caused</i>
5. Legislation	X	
6.		X
7.		X
8.		X
9.		
10.		

SUSPENSE

Date

4 JUN 68

Action Officer:

Remarks:

Name/Date

4 JUN 68



**EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET**

WASHINGTON, D.C. 20503

June 3, 1985

SPECIAL

LEGISLATIVE LIAISON

85-1591

Chrono

LEGISLATIVE REFERRAL MEMORANDUM

JUN 4 4 07 PM '85

TO:

Legislative Liaison Officer-

Department of State - Berkenbile - 632-0430 (25)
✓ Central Intelligence Agency
National Security Council

SUBJECT:

Commerce draft letter to Senator Lugar on H.R. 2068
in anticipation of floor action on S. 1003.

The Office of Management and Budget requests the views of your agency on the above subject before advising on its relationship to the program of the President, in accordance with OMB Circular A-19.

A response to this request for your views is needed no later than 11:00 A.M., TUESDAY, JUNE 4, 1985.

Questions should be referred to SueThau/TraceyLawler (395-7300) the legislative analyst in this office.

Ronald K. Peterson
**RONALD K. PETERSON FOR
Assistant Director for
Legislative Reference**

Enclosures

cc: J. Barie

SPECIAL



UNITED STATES DEPARTMENT OF COMMERCE
Washington, D.C. 20230

Honorable Richard G. Lugar
Chairman, Committee on Foreign
Relations
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

The purpose of this letter is to convey the views of the Department of Commerce on H.R. 2068, authorizing appropriations for fiscal years 1986 and 1987 for the Department of State, the U.S. Information Agency and the Board of International Broadcasting. H.R. 2068 passed the House of Representatives on May 9, 1985, and is now pending on the Senate calendar.

The Department, while deferring to the affected agencies with respect to the major provisions of H.R. 2068, is strongly opposed to the provisions of section 136 of the bill. Section 136 provides, in relevant part, as follows -

"After September 30, 1986, no citizen of the Soviet Union may be employed as a foreign national employee at United States diplomatic or consular missions in the Soviet Union"

Within this Department, enactment of section 136 would have a significant impact on the operations of the United States and Foreign Commercial Service ("US&FCS"), which currently maintains a small commercial office in Moscow. The cost to the Department of maintaining this office would increase from \$255,000 to approximately \$800,000 per annum, notwithstanding that the US&FCS does not currently employ Soviet citizens in any permanent capacity. The increase would occur because the US&FCS is required to reimburse the Department of State for administrative expenses incurred in its behalf. We expect that these annual costs would rise, if this proposal becomes law, from approximately \$60,000 to \$600,000.

Additionally, the US&FCS employs Soviet citizens intermittently to assist in the preparation and execution of trade fairs and exhibitions. The Secretary of Commerce recently responded to Soviet initiatives to increase U.S.-Soviet trade by gaining agreement from the Soviets to allow more U.S. trade promotion

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events in the Soviet Union. Our ability to mount such events would be significantly curtailed should we no longer have the capability to employ Soviet citizens as guides or for logistical support, since such functions would have to be carried out by American citizens or other foreign nationals employed intermittently for that purpose. The cost of doing so is not yet known; however, it would clearly rise significantly should this provision be enacted.

May I take this opportunity to urge that, upon consideration of H.R. 2068 by the Senate, you seek the deletion of section 136 from the bill.

Sincerely,

Douglas A. Riggs
General Counsel